

## BOARD MANUAL

<b>SUBJECT: CEO Performance Review Policy</b>	<b>NO.: 2-B-25</b>
<b>SECTION: Oversight of Management and Professional Staff</b>	
<b>APPROVED BY: Board of Directors</b>	<b>DATE: May 25, 2022</b>

### Policy

The regular evaluation of the President and Chief Executive Officer (CEO) is one of the most important responsibilities of the Board. The evaluation process provides a formal opportunity for constructive discussion regarding the performance of the Cambridge Memorial Hospital and the CEO's leadership of the organization.

The Executive Committee (hereafter referred to as the Committee) shall lead and implement the CEO evaluation process. The Board shall approve the CEO's objectives, give input into the annual evaluation process and review the information that contributes to the final evaluation. The evaluation period shall be aligned to the Hospital's fiscal year to enable alignment with other key metric reporting unless the Board determines otherwise.

A comprehensive evaluation will be undertaken annually to ensure that expectations and performance are reviewed and appropriate expectations are set. A mid-year discussion between the Board Chair and CEO is undertaken to advise on progress and provide feedback.

The review takes place using the following information:

- A written statement of the Board-approved CEO's objectives for the year under review.
- The expectations set out in the job description for the position
- The Hospital's performance against the:
  - Strategic plan
  - Quality improvement plan
  - Operating plan
  - Capital plan
  - Any other plans approved by the Board from time to time
- The results from the Board approved President & CEO Annual Performance Review Survey

### Procedure

#### Year-End Review

1. The Committee will lead and implement the CEO's year-end review, which will be completed by June 30 each year. See Appendix A for timing.

2. The Committee will confirm the participants in an annual survey of Directors, management personnel, medical staff and external stakeholders, and issue the survey. All Board Directors will be invited to complete the survey.
3. The Board Chair will summarize the survey results for the Committee .
4. The CEO will complete a self-appraisal in written form.
5. The Committee will receive and discuss the CEO's self-appraisal, the most recent CEO's report of the Hospital's performance against plans and the results of the survey. These assessments are then consolidated by the Board Chair into a report from the Board to the CEO.
6. The Board Chair discusses the summary and solicits input from the independent Directors before meeting with the CEO.
7. The Board Chair and the Board Vice Chair (or alternate) meets with the CEO to discuss the results.
8. A summary of the discussion is provided to the independent Directors at the next Board meeting.

#### **Mid-Year Discussion**

1. The Board Chair leads the mid-year CEO discussion, generally undertaken in November. See Appendix A for timing.
2. The Board Chair will solicit input from Board members, through discussions of the independent Directors held after a Board meeting or through other means as determined by the Committee.
3. The Board Chair will review and summarize the feedback and advice.
4. The Board Chair, the Board Vice Chair (or alternate) and CEO will meet to discuss the mid-year performance.
5. The Board Chair will update Board members on the discussion at the next available opportunity after the discussion with the CEO.

## Appendix A

### Timing and Responsibilities for the CEO Performance Evaluation

<b>Activity</b>	<b>Who</b>	<b>When</b>
(a) The CEO develops a set of goals and objectives that are reviewed by the Committee and approved by the Board.	- CEO - Committee - Board	Approved by the Board by April 1 each year
<b>Mid-Year</b>		
(b) The Committee will determine how to gather information	- Committee	By October 31
(c) The Committee will gather information and review	- Committee	Between November 1 and 15
(d) The Board Chair, at least one other Director and the CEO will meet to discuss mid-year performance	- CEO - Board Chair	By November 30
(e) The Board Chair will update the Board members on the discussion	- Board Chair	November or January Board meeting.
<b>Year End</b>		
(a) Survey on CEO performance will be distributed and completed	- Committee	Send out late March (following March Board meeting)
(b) The CEO writes self-appraisal and year-end report and submits to the Committee	- CEO - Committee	By April 30
(c) The Committee reviews the CEO self-appraisal, survey results and year-end report	- Committee	Between May 1 and May 15
(d) The Committee assembles a report and presents it to the Board	- Committee	May Board meeting
(e) The Board Chair and at least one other Director meet with the CEO to discuss report	- Board Chair - CEO	By June 15
(f) The Committee assembles a final report, including any recommendation for compensation changes/performance based compensation and presents it to the Board	- Committee	June Board meeting

<b>DEVELOPED: November 30, 2011</b>		
<b>REVISED/REVIEWED:</b>		
January 27, 2016	May 29, 2019	Click or tap to enter a date.
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